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ASF Questions for Candidates to the Arlington County Board August 2022

PART ONE QUESTIONS: Missing Middle Housing

1. Affordability/Equity

Board Chair Cristol stated on July 13 that affordability was the primary community goal for new housing, explaining why the county wants to allow 8-plexes on every residential lot in zones R-5 through R-20. Rents and prices for new Missing Middle Housing were projected by the county's consultant report of April 28 at:

- Monthly rent of \$2,240-\$2,784 for 700-820 square foot units;
- Monthly rent of \$2,960-\$4,210 for 1,020-1,490 square foot units;
- Price range of \$571,000-\$722,000 for 1,020-1,490 square foot units.

Households must earn 80% of Area Median Income (AMI)¹ or more to afford these units. Meanwhile, the update to the county's 5-Year Affordable Housing Master Plan states: "The private market has provided sufficient rental housing for households with incomes above 80% of AMI" and demand "will . . . be met with the private market without public intervention."

We also see the housing market offering healthy availability, with those at higher ends of the income scale clearly having the largest choice. In mid-August, Arlington had over 5,400 rental units (<https://www.apartments.com/arlington-county-va/>), and 670 condos for sale for \$450,000 or less. (<https://www.condo.com/Arlington-VA/Condos-Townhomes?sort=featured,priority,score,newest&price=-450000>.) Meanwhile, from 2000-2021, the County *lost* 8,258 housing units affordable to those at the other end of the income spectrum – those earning up to 60% of AMI.

Question 1A – Why promote policy to benefit those with healthy incomes, for whom the County says the private market provides adequate supply, ahead of -- and at the expense of -- those who are more cost-burdened and known to need help more urgently?

Question 1B – If the majority of residents of color, of residents 65 and over, and of residents with disabilities, earn below 80% of AMI, how does Missing Middle directly promote diversity here?

¹ Rents and sale prices: Tables A-3, A-4, A-8 and Attach. 1 of Consultant's 4/8/2022 Rpt; 80% AMI: <https://www.arlingtonva.us/Government/Programs/Housing/Income-and-Rent-Limits>; Demand met: page 6, https://www.arlingtonva.us/files/sharedassets/public/housing/documents/AHMP_5YR-Report.pdf

The primary goal of missing middle is to increase the supply of housing types that will enable more Arlington young families and seniors to live in Arlington. Specifically, the private market has not done a good job of producing three-bedroom options that small families can afford to buy. Starter four and two-bedroom options for homeownership are also in short supply, at least via the market.

To address this primary goal of making homeownership attainable, the County has limited options. Subsidizing homeownership is not, in my view, fiscally sustainable for families that earn between 80% and 120% of our median income of \$124K for a household of three people. Instead, we must focus County money on those most in need via our Housing Grants program and Affordable Housing Investment Fund, both of which serve those most in need. Annexing individual neighborhoods while exempting others from additional density does not, in my view, fairly address the scale of the problem due to at least 15 years of skyrocketing home prices. Arlington's own history, which includes 20+ years when the County outlawed rowhouses for what all evidence shows was racially motivated reasons, also argues for action. If we do not add to our supply of ownership opportunities, the next 15 to 30 years will lead to a reality where only the top 1% of income earners, or existing homeowners, will be able to own. Thoughtful, tiered missing middle policies, which are regulatory and not fiscal expenditures, are the best option of the several difficult ones, in my view.

Missing middle done thoughtfully can enable greater income diversity. Income diversity is important because we know that income and wealth are, unfortunately, still linked with racial and ethnic diversity. Housing barriers for residents of color include FHA loans more recently and redlining along with generational wealth. With respect to the 80% AMI point, just as the PES Consultant study is not per se correct in its assumptions, I do not believe there is a strict, set income below or above which residents of color will or will not benefit from missing middle. We must work on the wealth gaps that exist in Arlington and other tools such as community land trusts are important, in addition to thoughtful missing middle policies.

2. Ownership vs. Rental Units

Homeownership is widely recognized as the primary path to generational wealth-building, but the county has indicated it cannot dictate whether Missing Middle units will be ownership or rental units. Today in Arlington, detached homes are 90% owner-occupied, while buildings with 2-9 units are 80% rentals; new construction across

Virginia is the same ratio. The County has provided no evidence its Missing Middle plan will produce anything different. Furthermore, investor/developer purchases of detached homes in Arlington are up 30% in the last 18 months compared to the prior 5-year baseline, according to the County's ROAM database. But the County's Missing Middle Consultant claimed there would be *no* increase in total teardowns and only 19-21 Missing Middle lot conversions a year.

Question 2A

What are the pros and cons you see of having fewer home ownership opportunities countywide, and increased numbers of teardowns of lower-cost starter homes?

Question 2B:

Before any vote on Missing Middle, will you push for deeper analysis of the consequences of much greater private equity and investor involvement in our housing market?

Federal law prohibits the County from dictating whether market-based housing can be designated as homeownership or rental. I believe this is for good reason, since we would not want the government to dictate to the private sector whether owners must live in their homes or can rent their homes.

I believe missing middle, done with a thoughtful focus and done on a tiered basis so that the smallest lots are limited and greater density is allowed on larger lots is a reasonable solution, if managed properly. It is a verifiable and countable fact that we are losing over 150 small single-family homes to large mansion size homes. Allowing for additional units will increase the supply of homeownership opportunities.

With respect to part 2B, I will be pushing for deeper analysis of the consequences of greater private equity and investor involvement in the housing market. This is a reasonable concern that I want to explore more fully that leads me to not support eightplexes. This exploration is important as we work to fully consider the precise policies that are "missing middle." We must be thorough, but not delay for its own sake. The status quo works for many current homeowners, but does not work for many of the 60% of our residents who currently rent who want to buy in Arlington.

3. Transit-Oriented Development

Arlington was a pioneer in transit-oriented development and has relied on this paradigm to concentrate density near transit. Missing Middle abandons this philosophy.

Question 3

Do you believe rental units will be sought away from transportation corridors? If so, why, based on current occupancy data? If not, how would you enhance and pay for mass transportation options along these corridors to promote accessibility and avoid automobile congestion?

Transit oriented development has been proven as an excellent idea and I fully support and expect that the County will and should continue to use it. The County is not and should not abandon it. As a community we would instead be acknowledging that the world has changed and the housing market is not producing the three and four- bedroom units we need via transit-oriented development, alone.

A "both and" strategy is needed to address housing in Arlington, not either transit-oriented development or missing middle. Both rapid conversion of existing office space in the corridors to residential units and thoughtful missing middle policy, along with other strategies such as community land trusts and shared equity homeownership need to be considered. We also need to be considering allowing units inside the same size building size that are two units instead of one. I believe such units may be attractive as they would be less expensive than the large single-family homes that are going at higher and higher prices. Missing middle flexibility will enable the income ladder to work—those earning \$150K and above, depending on the unit and location will be able to afford housing.

With respect to mass transportation, the County is investing in transportation along Columbia Pike via the multi-modal improvement projects and will be investing in the Langston Boulevard transportation systems. We replaced our prior bus contractor 3 years ago and there has been improvement. Further investments will need to be made. That said, I recognize that people in missing middle units will need cars and cars present parking challenges. That is part of the reason I was one of those on the Board who directed staff to come back to the Board with a better parking plan over the coming months than the one that was presented to us via the April 28th Draft Framework.

4. Community Engagement

Most residents are unaware of the county's Missing Middle plans, and the county received only 295 positive feedback responses out of 1,694 total forms submitted before the Board's July work session. Direct correspondence to the Board has not been divulged. All 10 of the recently-announced "Community Conversations" in English for September/October filled within 72 hours and will accommodate fewer than 0.1% of residents. They won't be recorded or livestreamed. More serious, we don't believe the

new draft zoning ordinances will be published in advance of these sessions, and there are no plans for open community fora after publication.

Question 4

If you were on the Board now, would you demand a delay of at least 120 days to ensure enhanced public engagement, including a broad, county-wide forum after ordinances are shared publicly?

I agree that the community needs much more engagement on missing middle. Specifically, that means that after the sign-up lists filled, I worked to add additional sessions to meet the demand for the initial missing middle work sessions, clearing waitlists for all but a few individuals. Going forward, as additional opportunities are needed, I will push to add more sessions and make myself available to make sure residents can engage, be heard, and have their views fully considered.

Regarding the request for a delay of at least 120 days, I have said that we must not rush this—we must take the time to fully consider the policy. I also believe we must address all concerns raised. However, addressing all concerns does not mean that I agree that we should delay from any engagement for 120 days.

With respect to the request that sessions be livestreamed and/or taped, I believe we should have a full, authentic series of conversations in an environment where individuals feel safe to share their views, whatever those views are. To that end, I believe it best to allow residents to share their thoughts without being taped. I think it also critical for full and fair summaries of the sessions to be done.

I hear clearly that Arlingtonians want to be sure their voices are heard on missing middle and am fully committed to engaging. I believe we will have the robust dialogue that I see as essential. If you wish to engage with me, please do not hesitate to reach out at mdeferranti@arlingtonva.us or matt@mattforarlington.com.

PART TWO QUESTIONS – Arlington Development

Question 5 - Defining Development Population Expansion and Costs:

If you are elected, will you press for Arlington to adopt a better system to capture and disclose in advance of final approval the long term costs of adding significant new population numbers and to also disclose the expected maximum populations being enabled by all major new land use, zoning, and bonus density approvals, including the Clarendon and Pentagon City Updated Sector Plans, Missing Middle, Plan Langston Boulevard, Crystal City height plan, and the move away from the bullseye concept along the Metro corridor?

I agree that a better system of assessing our long-term needs is necessary. I want to be clear that the Joint Facilities Advisory Committee (JFAC) and long-term fiscal analysis are the two primary ways in which I believe I could and should have done better. I take responsibility for not pushing hard enough to ensure greater progress in both areas.

On the other hand, I also want to be clear that I do not believe that we can or should claim that our planning for future growth must be perfect or even so detailed that we take no action until we know precisely the numeric implications of each individual action. We need a better system for planning than we have now, but having such a system is not a per se prerequisite to acting on a thoughtful form of missing middle.

Our site plan analysis does consider population growth for traffic and for schools and I believe does a sound job at both. We need more resources for better planning because how we evolve as a community matters for all Arlingtonians. With respect to JFAC, we need to empower this group in a way that I do not believe was appropriate for the two years where we were working through COVID. This is an example of an area where I as a Board Member differ with the County Manager.

With respect to the bullseye concept, I agree that we need to move away from it as the corridors are appropriate as a continued source of supply of housing to keep rents down and to meet our community's evolving housing needs. Bullseye planning along the corridors is an example of policy that was sound years ago, but the world has changed and our housing supply problems can and should be addressed in part via changing this approach to planning.